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ABSTRACT

This report presents the results of the actuarial valuation of assets and liabilities as well as funding requirements for the Teachers Retirement System of Louisiana as of June 30, 1996. Data reported include current funding, actuarial assets and valuation assets. These include the Louisiana State University Agriculture and Extension Service Fund, the Texaco Settlement Fund, and the Experience Account Fund. The rate of return for investments is reported as ranging from 9.9 percent (1992) to 16.28 (1996) with a 5-year average of 10.54 percent. Demographic analysis shows that the system continues to show properties of an aging population that is indicative of the problem the state faces in its ability to attract and retain graduates to the profession. Additionally, the cost of allowing retirees to return to work, even with partial offsets, is higher than the cost to fund an additional year s accrual as an active participant. Further, the issue of 20-year retirement eligibility for newly hired teachers requires legislative resolution. The Retirement Board is prohibited from granting cost of living raises unless the system meets its funding target. For the plan year ending June 30, 1996 the target has not been met and, therefore, the Board cannot grant cost of living increases. Extensive data tables and exhibits provide supporting detail. (JLS)

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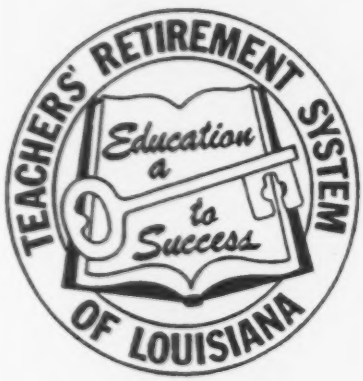
ACTUARIAL VALUATION



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TEACHERS' RETIREMENT SYSTEM
OF LOUISIANA
JUNE 30, 1996
ACTUARIAL VALUATION

HALL ACTUARIAL ASSOCIATES

Charles G. Hall
F.C.A., M.A.A.A., A.S.A.
Enrolled Actuary

1433 Hideaway Court
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September 9, 1996

Board of Trustees
TEACHERS' RETIREMENT SYSTEM OF LOUISIANA
Post Office Box 94123, Capitol Station
Baton Rouge, Louisiana 70804-9123

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Teachers' Retirement System of Louisiana as of June 30, 1996.

This report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of my knowledge, fairly reflects the actuarial present value of accrued benefits of the Teachers' Retirement System.

In preparing this valuation, I have relied upon the information provided regarding plan provisions, plan membership, plan assets and other matters as detailed in the exhibits of this report. In particular, I have relied upon the statement of assets as audited by Hawthorn, Waymouth and Carroll, Certified Public Accountants.

The present values shown herein have been estimated on the basis of actuarial methods as specified in Louisiana Revised Statutes Title 11 Section 22(13) and assumptions which are appropriate for the purposes of this valuation, are reasonable in the aggregate and when applied in combination represents my best estimates of the anticipated experience under the plan.

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

		June 30, 1996	Prior Years June 30, 1995	June 30, 1994
I.	Membership Census			
	1) Retirees	39,557	38,254	36,994
	2) Actives	84,849	84,671	86,079
	3) DROP	2,785	1,959	953
	3) Terminated Vested	469	460	411
II.	Annual Benefits	$ 559,883,034	$ 530,856,861	$ 467,688,680
III.	Actuarial Payroll	2,254,304,207	2,199,137,031	2,198,302,114
IV.	Valuation Assets	6,898,627,509	6,164,560,563	5,622,459,706
V.	Experience Account	247,577,844	(20,886,831)	172,144,511
VI.	Investment Yield			
	Realized Income	12.65%	5.98%	8.12%
	Actuarial Value	16.28%	5.72%	9.20%
	Market Value	14.52%	15.97%	0.86%
VII.	Cost to Fund Annual			
	Pension Accruals	345,131,084	334,494,157	337,284,171
	(Normal Costs)	15.31%	15.21%	15.34%
VIII.	Unfunded Actuarial			
	Accrued Liability	4,334,134,382	4,405,746,210	4,228,829,361
IX.	Funded Percentage	61.4%	59.4%	57.4%
X.	Funding Requirements to Pay (Mid-year Payment)			
	1) Employee Contribution	185,612,014	180,968,197	178,053,295
	Rate	7.97%	7.97%	7.97%
	2) Employer Contribution	402,966,353	395,945,601	390,639,426
	Rate - Current Year	16.4%	16.6%	16.5%
	3) Projected Employer	414,423,808	412,498,151	408,377,425
	Contribution - Next Year	16.4%	16.6%	16.5%

The above funding requirements measure the cost of benefits that were in effect on June 30, 1996, plus Acts of the 1996 Legislative Session which have prospective affects on the current active members.

Current Funding

The Actuarial Valuation for the plan year ending June 30, 1996 discloses a general decrease in the value of the plan's unfunded accrued liability as well as level prospective funding requirements. It is generally appropriate for the current valuation process to disclose the source or cause of any significant changes in the plan from year to year. Changes that occur are usually the result of changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience.

The basic elements of the annual required contribution are the normal cost and amortization of the Unfunded Actuarial Liability (UAL). The normal cost is the annual cost to provide an additional year of benefit accrual. The normal cost is divided into two parts, the employee portion and the employer portion, both expressed as a percentage of payroll. Act 81 of the 1988 Legislative Session provides for the amortization of the initial UAL, plus subsequent changes in benefits, methods or gain/loss experience.

To assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability, the following gain/loss analysis is presented as follows:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/95		$ 4,405,746,210
INCREASES		
Interest on Unfunded Liability	$ 363,474,062	
Experience Account Allocation	271,864,554	
Employer Short Fall Charge	6,802,212	
Experience Loss	83,630,773	
Incurred Increases	725,771,601	
DECREASES		
Amortization Payments	253,654,321	
Investment Gain	543,729,108	
Incurred Decreases	797,383,429	
Unfunded Liability 6/30/96		$ 4,334,134,382

The employer contribution rate established by the Public Retirement Systems' Actuarial Committee for the 1996-1997 plan year was 16.6%. The actual employer contribution rates determined by this valuation for the current plan year is 16.4%. The current adjusted rate is less than the required employer's contributions when compared to the projected rates. Since any change in required contributions is attributable to many factors, the following sections address the source and respective impact to the required employer contribution rate.

Actuarial Assets/Valuation Assets

The Actuarial Value of assets represents the gross actuarial assets determined in accordance with the methodology set forth in Exhibit 6 to fund all liabilities of the pension plan as well as side-fund accounts dedicated for other programs. The Valuation Assets exclude the side-fund accounts for purposes of determining the employer contribution rate as illustrated on page 5 of Exhibit 2. The side-fund accounts excluded are as follows:

- **LSU Agriculture and Extension Service Fund**: Participants of the LSU Agriculture and Extension Service receive supplement benefits from TRSL equal to the difference between the TRSL benefit formula and the Federal Civil Service formula. The funding is recorded separately in the side-fund with assets co-mingled with the Actuarial Value of assets. The current balance is $181,962.

- **Texaco Settlement Fund**: The purpose of this fund is to accumulate Texaco settlement contributions as a separate account invested at TRSL's actuarial rate of return. Once the accumulated value of the account equals the outstanding balance of the initial unfunded actuarial liability, the account and liability will be liquidated. The current account balance is $157,981,452.

- **Experience Account Fund**: The purpose of this fund is to accumulate 50% of the excess investment gain or loss relative to the actuarial valuation rate of 8.25%. The account can be used to fund ancillary benefits for members such as retiree COLA's. The benefit granted must be funded at 100% of actuarial cost. The current balance is $247,577,844.

Investment Experience

The rate of return on the actuarial value of assets during the last five (5) years has been as follows for plan years ending June 30:

1992	1993	1994	1995	1996	5 YEAR AVERAGE
9.9%	12.5%	9.2%	5.72%	16.28%	10.54%

The net actuarial rate of return assumed in the valuation was 8.25%. For the plan year ending June 30, 1996 the net realized actuarial rate of return was greater than the long-term investment assumption used to project benefits. The result was a net investment experience gain of $543,729,108 below projected investment income.

Act 1031 of 1992 establishes the Experience Account. Each year the fund is credited/debited with 50% of the net investment experience gain/loss together with interest on the beginning account balance. Due to investment yields greater than actuarial expectations, an additional $271,864,554 will be added from the Experience Account with a like amount amortized to decrease future employer contributions.

Plan Experience

The actuary is charged with making the best estimate of future plan experience to properly fund future benefits. If the actual experience differs from the projected experience, a gain or loss occurs. This gain or loss is then amortized over the later of the year 2029 or a fifteen year statutory period to make a mid-course adjustment in future funding requirements. During the 1995-1996 plan year, the system incurred an $83,630,773 experience loss.

The gains/losses incurred are beyond the control of the Board of Trustees, but the Trustees should understand the source of the experience to effectively communicate with the legislature.

The demographic changes illustrated in Exhibit 4 indicates the system continues to exhibit properties of an aging population which is indicative of the continuing problem the state faces in its ability to attract and retain graduates to the profession. Recall that one of the characteristics of the Projected Unit Credit cost method is to accelerate funding requirements for an aging population, even if all assumptions are realized.

Funding as a Percentage of Payroll

The funding requirements mandated by Act 81 require the employee to contribute 8% of payroll for the plan year beginning in 1989. The employer will pay a percentage of the normal cost plus a dollar amount sufficient to amortize the unfunded liability over a 40 year period. To convert the dollar amortization payment to a percentage of payroll would suggest that the aggregate employer contribution rate would remain level as a percentage of pay provided aggregate salaries increased in unison with the rate of increase in annuity payments. This would imply that aggregate salaries should increase at a rate of at least 4.5% during the next thirty-three (33) years. To determine whether this is a reasonable expectation, aggregate salary growth during the past seven (7) years is illustrated as follows:

June 30	Payroll/$1000	Percent Increase
1989	1,896,167	6.6%
1990	2,041,067	7.6%
1991	2,133,107	4.5%
1992	2,307,362	8.2%
1993	2,329,827	1.0%
1994	2,359,049	1.3%
1995	2,423,640	2.7%
1996	2,505,173	3.4%

During the last seven (7) years the aggregate salaries have increased at an annualized rate of 4.06%. If this trend continues during the next thirty-three (33) years, the percentage of pay required to amortize the unfunded liability can be expected to remain level in the absence of other experience gains or losses.

Comments and Recommendations

There remains two unresolved plan provisions which should be addressed during the current fiscal year to curb anti-selection by the general membership which have a significant cost impact on the System:

1) The cost to allow retirees to return to work, even with partial offsets, is significantly higher than the cost to fund an additional year's accrual as an active participant. At what point is return to work justifiable (without loss of benefits) versus transforming the retirement system into an income supplement plan?

2) The 20 year retirement issue still needs to be resolved. Passage of legislation to modify 20 years as an eligibility to retire for newly hired teachers has failed in six consecutive legislative sessions, with little support from the administration.

Disclosures

Exhibit 3, "Pension Accounting and Financial Disclosure", contains disclosure of the accrued liabilities under the Entry Age Normal Actuarial Cost Method required by the Governmental Accounting Standards Board Statement No. 25. Pension Benefit Obligation financial disclosure continues to be reported in Exhibit 7, Legislative Auditor's Report.

Finally, the actuarial disclosure form required by the Actuarial Department of the Legislative Auditor's office (see Exhibit 7) makes specific provisions for the determination of whether or not a retirement system is systematically approaching the targeted funding ratio.

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This is an important consideration for both retired members and members of the Board of Trustees. The Board is specifically prohibited from granting a cost-of-living raise to retirees and survivors by Act 256 of the 1986 regular legislative session unless the system has met the Funding Target.

For the plan year ending June 30, 1996 the funding target is .64999, which is greater than the current .61415 funding ratio. Therefore, the Board is prohibited from granting a cost-of-living increase by statute. The following history illustrates the progress this system has made since the inception of Act 256:

	FUNDING TARGET	FUNDING RATIO	DIFFERENCE
1988	.49079	.42045	-.07034
1989	.50610	.42500	-.08110
1990	.54413	.46800	-.07613
1991	.56177	.48248	-.07929
1992	.57941	.50592	-.07349
1993	.59705	.53868	-.05837
1994	.61469	.57407	-.04062
1995	.63234	.58320	-.04914
1996	.64999	.61415	-.03584

The format of this report was designed with the intent of highlighting the pertinent results of the valuation's funding requirements. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,

Charles G. Hall

Charles G. Hall, FCA, MAAA, ASA
Actuary

CGH/tt

Enclosure

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EXHIBIT 1

DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

Normal Costs and Accrued Liabilities are calculated in accordance with the Projected Unit Credit Actuarial Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

	June 30, 1996		---Prior Year--- June 30, 1995	
	Dollar Amount	% of Salary	Dollar Amount	% of Salary
I. Normal Costs (to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	$ 289,185,038	12.83%	$ 281,386,882	12.79%
b) Disability Benefits	14,754,527	.66%	14,493,131	.66%
c) Survivor Benefits	9,310,591	.41%	9,154,232	.42%
d) Voluntary Termination	20,762,977	.92%	20,011,243	.91%
e) Expenses	7,200,000	.32%	6,200,000	.28%
TOTAL	341,213,133	15.14%	331,245,488	15.06%
Data Requiring Estimates	3,917,951	.17%	3,248,669	.15%
Adjusted TOTAL	345,131,084	15.31%	334,494,157	15.21%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	4,870,596,772		5,008,409,539	
2) Disability Benefits	202,550,974		201,718,569	
3) Survivor Benefits	129,358,588		130,750,384	
4) Voluntary Termination	113,090,854		109,645,147	
	5,315,597,188		5,450,523,639	
b) Retired and Inactive Members				
1) Regular Retirees	4,336,313,243		4,100,769,195	
2) Disabled Retirees	189,242,966		183,765,878	
3) Survivors	254,514,371		245,023,462	
4) Vested Deferred	15,207,102		14,668,798	
5) Contributions Refunded	29,356,805		34,891,136	
6) DROP Reserves	1,092,530,216		540,664,665	
	5,917,164,703		5,119,783,134	
c) TOTAL	11,232,761,891		10,570,306,773	

Exhibit 1 (Continued)
Costs, Liabilities & Contributions

	June 30, 1996	---Prior Year--- June 30, 1995
II. Actuarial Accrued Liability	$11,232,761,891	$10,570,306,773
III. Assets	6,898,627,509	6,164,560,563
IV. Unfunded Actuarial Accrued Liabilities - Projected Unit Credit*	4,334,134,382	4,405,746,210
a) Change over prior year	(71,611,828)	99,731,789
b) Funded Percentage (Total Assets)	61.4%	59.4%
V. Employer Contributions To Fund Current Plan Year*		
a) Employer Portion of Normal Cost	163,418,212	157,916,590
b) Amortization Payments	231,280,204	231,409,329
c) Prior Contribution Variance	8,267,937	6,619,682
TOTAL Required Contribution	402,966,353	395,945,601
	16.4%	16.6%
Plus State Appropriation	4,248,834	4,065,870
Actuarial Forecast Rate	16.6%	16.5%
VI. Projected Employer Contributions To Fund Next Plan Year*		
a) Employer Portion of Normal Cost	168,653,309	163,949,316
b) Amortization Payments	241,105,019	241,239,952
c) Prior Contribution Variance	4,665,480	7,308,883
TOTAL Projected Contribution	414,423,808	412,498,151
	16.4%	16.6%
Plus State Appropriation	4,440,032	4,248,834
VII. Current Payroll	2,254,304,207	2,199,137,031
Projected Payroll - Mid Year	2,328,345,466	2,270,076,106
Projected Payroll - Next Year	2,402,933,935	2,356,797,499
ORP - Salary Adjustment Factor To Convert Amortization Payments to % of Payroll	1.09643	1.08787

*Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81.

EXHIBIT 2

FINANCIAL SUMMARY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING

	June 30, 1996	Prior Years June 30, 1995	Prior Years June 30, 1994
OPERATING REVENUES:			
1. Contribution Income			
Member	$ 182,144,749	$ 177,603,312	$ 174,342,858
Employer	365,860,046	351,784,156	348,022,913
Settlements	29,175,481	29,175,481	77,185,060
Appropriations	4,194,975	23,351,943	3,875,875
ORP-Unfunded	20,974,775	18,476,010	16,301,086
LSU-Coop/Ext	619,225	516,125	N/A
Miscellaneous	3,471,652	1,227,475	912,117
TOTAL CONTRIBUTIONS	606,440,897	602,134,502	620,639,909
2. Investment Income			
Realized Income	779,770,945	350,948,438	429,172,956
Less, investment expenses	-13,691,874	-10,060,891	-8,819,343
TOTAL INVESTMENT INCOME	766,079,071	340,887,547	420,353,613
3. Total Revenues	1,372,519,968	943,022,049	1,040,993,522
OPERATING EXPENSES:			
1. General Administration	7,197,001	6,080,126	6,161,594
Other Expenses	147,397	730,938	4,570,908
2. Benefits Paid			
a) Pension Benefits	597,840,991	530,786,764	473,574,445
b) Return of Contrib.	18,780,044	18,352,032	16,176,563
TOTAL BENEFITS PAID	616,621,035	549,138,796	489,751,008
3. Total Expenses	623,965,433	555,949,860	500,483,510
NET INCOME:	748,554,535	387,072,189	540,510,012

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	June 30, 1996	Prior Years June 30, 1995	June 30, 1994
ASSETS:			
1. Short Term Assets			
Cash in Banks	$ 51,263,773	$ 27,343,536	$ 2,945,802
Securities	437,061,022	329,766,657	470,719,039
International	58,535,821	127,197,395	66,258,384
2. Bonds (at amortized cost)			
United States Issues	1,203,506,257	1,238,974,734	1,297,228,826
Corporate Issues	304,380,359	309,560,683	530,326,581
Mortgages and Notes	0	14,066	15,722
Foreign Bonds	1,014,266,543	912,346,130	683,465,604
3. Equities (at market)			
Intercoastal Land, Inc.	0	999,999	999,999
Domestic - Common	3,038,344,077	2,399,646,579	2,293,282,978
International	595,457,741	548,775,070	223,222,188
Real Estate Trust	44,406,000	23,076,000	8,801,000
Private Equity	15,891,483	0	0
4. Fixed Assets	5,245,420	5,408,235	5,621,666
Receivables-Payables	61,869,262	158,564,139	111,713,245
TOTAL ASSETS			
Equities at Cost	6,830,227,758	6,081,673,223	5,694,601,034
Equities at Market	7,684,221,163	6,626,852,754	5,858,613,392
Market Value	7,677,564,719	6,722,694,932	5,756,005,341
RATIO: ASSETS/EXPENSES:	10.9	10.4	10.8
INVESTMENT YIELD:			
Realized Income	12.65%	5.98%	8.12%
Yield to Actuarial Value	16.28%	5.72%	9.20%
Five Year Actuarial Value	10.54%	9.45%	10.45%
Yield to Market Value	14.52%	15.97%	0.86%

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	June 30, 1996	---------Prior Years--------- June 30, 1995	June 30, 1994
ACTUARIAL VALUE OF ASSETS:			
TOTAL ASSETS	$ 7,684,221,163	$ 6,626,852,754	$ 5,858,613,392
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	(161,366,384)	171,112,341	187,843,881
Plan Year - 1 (wt. 2/4)	381,167,173	(194,943,864)	171,112,341
Plan Year (wt. 3/4)	308,813,874	569,001,054	194,943,864
Actuarial Value of Assets	7,302,368,767	6,254,795,810	5,872,304,149
LSU AGRICULTURE AND EXTENSION SERVICE:			
Prior Year Ending Balance	347,555	514,872	929,483
+ Contributions	619,225	516,125	209,730
- Benefit Disbursements	825,255	707,490	688,336
+ Accumulated Interest	40,437	24,048	63,995
Fund Balance - Year End	181,962	347,555	514,872
TEXACO SETTLEMENT FUND:			
Prior Year Ending Balance	110,774,523	77,185,060	N/A
+ Current Year Allocation	29,175,475	29,175,481	77,185,060
+ Accumulated Interest	18,031,454	4,413,982	0
Fund Balance - Year End	157,981,452	110,774,523	77,185,060
EXPERIENCE ACCOUNT FUND:			
Prior Year Ending Balance	(20,886,831)	172,144,511	135,159,010
+ Experience Account Allocation	271,864,554	(73,440,401)	24,548,169
- Benefit Disbursements	0	(129,435,369)	0
+ Accumulated Interest	(3,399,879)	9,844,428	12,437,332
Fund Balance - Year End	247,577,844	(20,886,831)	172,144,511
DEVELOPMENT OF ACTUARIAL VALUATION ASSETS:			
Total Fund Assets (LESS)	7,302,368,767	6,254,795,810	5,872,304,149
- LSU Ag/Ext Service Account	181,962	347,555	514,872
- Texaco Settlement Fund	157,981,452	110,774,523	77,185,060
- Experience Account Fund	247,577,844	(20,886,831)	172,144,511
Valuation Assets	6,898,627,509	6,164,560,563	5,622,459,706

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EXHIBIT 3

PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE

The Governmental Accounting Standards Board (GASB) was established as an arm of the Financial Accounting Foundation in April, 1984 by amendment to the Foundation's certificate of incorporation and by-laws. GASB's objective is to promulgate standards of financial accounting and reporting relative to the activities and transactions of state and local governmental entities. The following disclosures and statistical tables are in accordance with the GASB's Statement No. 25.

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
1987	2,877,839	6,147,309	3,269,469	46.8	1,773,609	184.3
1988	2,979,041	7,085,389	4,105,347	42.0	1,778,341	230.9
1989	3,208,992	7,550,580	4,341,589	42.5	1,896,167	229.0
1990	3,657,085	7,808,024	4,150,939	46.8	2,041,067	203.4
1991	4,079,694	8,455,606	4,375,913	48.2	2,133,107	205.1
1992	4,576,564	9,046,010	4,469,446	50.6	2,181,713	204.9
1993	5,129,519	9,522,424	4,392,905	53.9	2,176,372	201.8
1994	5,699,645	9,928,474	4,228,829	57.4	2,198,137	192.4
1995	6,275,335	10,570,306	4,294,972	59.4	2,199,137	195.3
1996	7,056,608	11,232,762	4,176,154	62.8	2,254,304	185.3

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by $662,455,118 from June 30, 1995 to June 30, 1996. There were no changes in benefit provisions during the year. There was a net experience gain of $190,004,697 after allocating $271,864,554 for investment income deficiency to the Experience Account in Accordance with Act 1031.

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS*

Fiscal Year	Actuarial Required Contribution	Percent Contributed	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
1996	401,039,317	98.4	394,419,635	394,501,448	100.0	18,397,236

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Teachers' Retirement System of Louisiana.

The difference between the Actuarial Required Contribution and the APC is the amortization payment for the Net pension Obligation (see Exhibit A page 36).

*Actuarial Contributions, then Annual Pension Cost (APC), and the actual employer contribution made have been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 25.

EXHIBIT 3 (Continued)
Pension Accounting & Financial Disclosure

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE AND EXPENSES BY TYPE

Revenues by Source

Fiscal Year	Members Contribution	Employer Contribution	Investment Income	Total
1987	123,080,168	184,345,243	377,177,502	684,602,913
1988	125,235,574	188,951,407	155,185,537	469,372,518
1989	132,996,079	199,482,894	241,255,371	573,734,344
1990	162,676,467	349,665,819	324,019,134	836,361,420
1991	171,125,771	315,660,695	301,146,150	787,932,616
1992	182,469,034	407,104,690	417,156,055	1,006,729,779
1993	186,898,167	384,893,290	604,857,448	1,176,648,905
1994	174,424,707	471,863,714	420,353,613	1,066,642,034
1995	193,264,580	438,204,055	340,887,547	972,356,182
1996	182,144,749	424,296,148	766,079,071	1,372,519,968

Expenses by Type

Fiscal Year	Benefits	Refunds	Administrative Expenses	Total
1987	299,004,355	19,528,811	2,489,860	321,023,026
1988	324,714,098	18,787,319	3,092,501	346,583,918
1989	349,981,984	21,200,719	3,377,374	374,560,077
1990	369,060,293	20,704,676	3,464,997	393,229,966
1991	388,340,215	48,279,915	3,950,865	440,570,995
1992	426,516,466	35,823,166	5,246,970	467,586,602
1993	450,224,778	40,595,962	5,366,598	496,187,338
1994	473,574,445	41,825,075	10,732,502	526,132,022
1995	530,786,764	47,686,165	6,811,064	585,283,993
1996	597,840,991	18,780,044	7,344,398	623,965,433

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

The data contained in this valuation is summarized on the following pages with exceptions noted below. The profile depicted in the cellular graphs represents "error-free data," which serves as the basis for determining costs and liabilities. Active members are allocated to cells based upon attained age and years of service. Retirees and Survivors are allocated to cells based upon attained age and years elapsed since retirement or commencement of benefits.

The validity of the results of any actuarial valuation is dependent upon the accuracy of the data base. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

-missing sex code
-missing or invalid date of birth
-missing or invalid date of employment
-missing or invalid salary
-invalid retirement dates

There were a total 466 records purged from the data base containing errors or categorized as suspicious data which is a significant reduction when compared to previous years. Suspicious data are not necessarily errors, but data which falls outside the parameters of the editing process for further checking.

The following is a summary by plan of the data submitted for valuation:

	1996		1995	
	Census	Avg.Sal.	Census	Avg.Sal.
Active Members				
TRS - Regular Plan	74,137	$25,106	73,554	$24,829
TRS - University Plan	5,823	43,858	5,967	43,325
TRS - Plan A	2,044	13,368	2,298	12,897
TRS - Plan B	2,305	11,427	2,325	11,189
Errors	540	46,611	527	37,750
TOTAL	84,849	25,875	84,671	25,795
TRS - Post DROP	674	42,430	441	40,874

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EXHIBIT 4 (Continued)
Census Data

	1996 Census	1995 Census
Retired and Inactive Members		
Regular Retirees	33,089	32,049
Disability Retirees	3,151	3,050
DROP Participants	2,785	1,959
Survivors	3,098	2,960
Vested and Reciprocals	469	460
Due Refunds	5,978	7,949
Errors	219	195
TOTAL	48,789	48,622
TOTAL Actives & Inactives	134,312	133,734

Salary data contained in the profiles and valuation report exceed the sums reported by internal audit due to salary annualization. In the valuation process, membership data with fractional service in the first year of employment annualizes the salary.

Actuarial Salaries	$2,254,304,207
Actual Salaries for which contributions were received	$2,284,851,558

Demographic Trends

The table on the following page illustrates the demographic changes by sex and age groups that the retirement system has experienced since June 30, 1979. A review of these changes is necessary to fully appreciate the changes in funding that the system is experiencing. Traditionally, benefit increases through plan amendments, large salary growth and cost of living increases were well recognized as cost contributors, but the potential cost impact resulting from these socio-economic changes can vary depending on the changing demographic structure of the plan as follows:

1) The retirement system continues to exhibit the properties of an aging population which combined with relatively low salary increases for younger age groups aggravates the problem of annual experience losses as well as increasing unfunded actuarial liabilities.

2) The retirement system continues to incur increased funding (although offset by experience gains) due to a decline in male teachers. The ratio of males to females has declined from .406 to .234 during the last seventeen (17) years. At this rate of decline, it will be necessary to adjust the unisex tables to reflect a more accurate ratio of males to females employed. Funding requirements for females is 1% of payroll greater than their male counterparts.

EXHIBIT 4 (Continued)
Employee Census

DEMOGRAPHIC CHANGE

Active Participants

Males

Age Group	1979 Number	1979 %	1995 Number	1995 %	1996 Number	1996 %	16 Year Percentage Change
(20 - 29)	2,900	.15	1,725	.10	1,775	.11	-.04
(30 - 39)	7,035	.35	3,223	.21	3,238	.21	-.14
(40 - 49)	5,719	.29	6,127	.37	6,094	.39	+.10
(50 - 59)	3,316	.17	4,349	.26	3,690	.24	+.07
(60 -)	739	.03	1,014	.06	860	.05	+.02
TOTAL	19,709	1.00	16,438	1.00	15,669	1.00	

Females

Age Group	1979 Number	1979 %	1995 Number	1995 %	1996 Number	1996 %	15 Year Percentage Change
(20 - 29)	12,150	.25	8,521	.12	8,613	.12	-.13
(30 - 39)	17,302	.36	18,272	.26	17,754	.26	-.10
(40 - 49)	11,604	.24	27,268	.39	27,866	.40	+.15
(50 - 59)	6,446	.13	13,624	.19	12,919	.19	+.06
(60 -)	1,024	.02	2,507	.04	2,028	.03	+.02
TOTAL	48,526	1.00	70,192	1.00	69,180	1.00	

Distribution by Sex

	1979	1995	1996	Percentage Change From 1979
Males (%)	29%	19.0%	18.5%	-10.5%
Females (%)	71%	81.0%	81.5%	+10.5%
Ratio (M/F)	.406	.234	.227	

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

TRS RETIREMENT SYSTEM
ALL ACTIVE MEMBERS

VALUATION DATE 6/30/96

Age/Years	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	9	8	0	0	0	0	0	0	0	17
	72118	110940	0	0	0	0	0	0	0	183058
[20 - 24)	660	1927	10	0	0	0	0	0	0	2597
	7767914	39045538	158711	0	0	0	0	0	0	46972163
[25 - 29)	783	5053	1926	24	0	0	0	0	0	7786
	9747363	106005612	42702785	409057	0	0	0	0	0	158864817
[30 - 34)	628	3320	3680	1516	44	0	0	0	0	9188
	7121176	64044697	83038135	37005729	778610	0	0	0	0	191988347
[35 - 39)	577	3441	3004	2825	1932	24	1	0	0	11804
	6804170	64655735	65583333	73923146	55235170	489232	23175	0	0	266713961
[40 - 44)	440	2951	3362	2729	4385	2747	25	0	0	16639
	5360836	58879559	75019335	74361490	136265356	90534621	563181	0	0	440984378
[45 - 49)	329	2149	2792	2581	3179	4159	2128	4	0	17321
	4539497	45836778	66059878	69073333	99419449	144894426	79317205	110738	0	509251304
[50 - 54)	145	930	1432	1633	2139	2097	2735	181	0	11292
	2038181	20566418	34503581	43480793	61219034	72415291	105570939	7374267	0	347168504
[55 - 59)	75	409	722	831	1327	1225	472	253	3	5317
	1139811	8510454	16536583	21096848	35174406	35708487	17469039	11004294	102730	146742652
[60 - 64)	20	156	319	291	495	453	247	129	53	2163
	268847	3631702	7273479	7669703	13987942	14344261	9720459	6176060	2171263	65243716
[65 - 69)	17	35	43	104	143	74	64	35	27	542
	223664	632178	1069666	2725367	4073218	2436321	2321604	1549036	1202370	16233424
[70 - 74)	7	23	9	35	37	35	14	6	17	183
	119096	469350	186128	815191	985665	932983	588680	233413	836583	5167089
Total	3690	20402	17299	12569	13681	10814	5686	608	100	84849
Total	45202673	412388961	392131614	330560657	407138850	361755622	215574282	26447808	4312946	2195513413

AVERAGES : Attained Age 43.17
Service Years 11.70
Active Salary 25,876

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MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

TEACHERS' PLAN
ACTIVE MEMBERS

VALUATION DATE 6/30/96

Age/Years	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	9	8	0	0	0	0	0	0	0	17
	72118	110940	0	0	0	0	0	0	0	183058
[20 - 24)	629	1898	10	0	0	0	0	0	0	2537
	7412718	38443025	158711	0	0	0	0	0	0	46014454
[25 - 29)	695	4823	1907	24	0	0	0	0	0	7449
	8607341	100914081	42319829	409057	0	0	0	0	0	152250308
[30 - 34)	561	3033	3513	1455	42	0	0	0	0	8604
	6247317	57359862	79309937	35924076	750517	0	0	0	0	179591709
[35 - 39)	528	3167	2753	2624	1845	20	1	0	0	10938
	6118529	57927985	58954668	69218166	53400549	424342	23175	0	0	246067414
[40 - 44)	394	2744	3081	2291	4005	2674	24	0	0	15213
	4765047	53575658	67453123	59849441	125222881	88098845	541507	0	0	399506502
[45 - 49)	292	1938	2555	2139	2506	3770	2034	2	0	15236
	4006634	40859487	59399632	54788142	75084781	131802375	76143560	42212	0	442126823
[50 - 54)	118	812	1259	1256	1523	1573	2351	169	0	9061
	1633843	16995628	29233043	31553023	42913121	52042330	88990818	6855755	0	270217561
[55 - 59)	66	345	613	608	903	761	265	170	1	3732
	948844	6873173	13702188	14428333	24018260	22969925	9497416	7031758	50000	99519897
[60 - 64)	20	132	254	190	318	327	122	63	37	1463
	268847	3069463	5734668	4496874	8581482	9866649	4061912	2489390	1473364	40042649
[65 - 69)	13	31	32	59	73	50	28	14	16	316
	184607	571204	630410	1314721	2024210	1529491	877518	544555	665504	8342220
[70 - 74)	6	23	4	20	20	19	7	3	9	111
	77940	469350	85366	350603	452981	442851	182998	121072	415456	2598617
Total	3331	18954	15981	10666	11235	9194	4832	421	63	74677
Total	40343785	377169856	356981575	272332436	332448782	307176808	180318904	17084742	2604324	1886461212

AVERAGES : Attained Age 42.40
Service Years 11.33
Active Salary 25,262

24

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

TEACHERS' LSU PLAN
ACTIVE MEMBERS

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	Total
[0 - 19)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[20 - 24)	14	7	0	0	0	0	0	0	0	21
	208173	162600	0	0	0	0	0	0	0	370773
[25 - 29)	40	79	8	0	0	0	0	0	0	127
	560607	1994528	171307	0	0	0	0	0	0	2726442
[30 - 34)	26	73	41	10	0	0	0	0	0	150
	472115	2284977	1160255	302006	0	0	0	0	0	4219353
[35 - 39)	13	68	77	55	10	0	0	0	0	223
	328557	2454598	2852307	1768999	281677	0	0	0	0	7686138
[40 - 44)	10	54	66	153	92	17	0	0	0	392
	195896	1880347	2647091	7603411	3960076	736144	0	0	0	17022965
[45 - 49)	9	44	55	129	209	115	17	2	0	580
	192098	1683494	2407986	6346560	12124000	5713437	693703	68526	0	29229804
[50 - 54)	6	29	37	86	143	149	107	4	0	561
	124159	1389122	1928900	5039586	8137398	8941053	6291619	182502	0	32034339
[55 - 59)	2	10	21	42	67	70	53	17	1	283
	53596	485950	915028	2481500	3940180	4246010	3562409	1058827	38224	16781724
[60 - 64)	0	5	11	20	48	32	35	22	1	174
	0	204655	516730	1408886	2765993	1879380	2302884	1467099	51233	10596860
[65 - 69)	0	1	6	14	11	7	10	7	2	58
	0	29659	319818	828233	668591	472754	685124	498341	113714	3616234
[70 - 74)	1	0	2	3	4	3	4	1	2	20
	41156	0	65687	215237	267992	155235	274063	56239	140102	1215711
Total	121	370	324	512	584	393	226	53	6	2589
Total	2176357	12569930	12985109	25994418	32145907	22144013	13809802	3331534	343273	125500343

AVERAGES : Attained Age 47.86
Service Years 14.26
Active Salary 48,474

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TEACHERS' UNIVERSITY
ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	Total
[0 - 19)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[20 - 24)	15	20	0	0	0	0	0	0	0	35
	135476	429025	0	0	0	0	0	0	0	564501
[25 - 29)	37	117	6	0	0	0	0	0	0	160
	515891	2768190	161822	0	0	0	0	0	0	3445903
[30 - 34)	24	125	58	9	0	0	0	0	0	216
	316633	3545655	1808859	256255	0	0	0	0	0	5927402
[35 - 39)	22	106	71	45	18	0	0	0	0	262
	284712	3305891	2561520	1632259	629742	0	0	0	0	8414124
[40 - 44)	21	89	103	115	109	34	1	0	0	472
	313005	2780003	3671437	4770021	4369981	1357058	21674	0	0	17283179
[45 - 49)	17	75	87	127	187	111	52	0	0	656
	275960	2395681	3164924	5702052	8579868	4921788	2094959	0	0	27135232
[50 - 54)	12	44	61	104	120	175	177	7	0	700
	233745	1727762	2525472	4520391	5606853	8653642	8821611	324949	0	32414425
[55 - 59)	3	21	36	52	81	87	63	57	0	400
	112935	834778	1369220	2734380	3847056	4430960	3143826	2779074	0	19252229
[60 - 64)	0	9	19	27	32	39	58	38	13	235
	0	260918	638969	1159991	1525906	1883220	2961586	2155996	629002	11215588
[65 - 69)	3	1	4	7	21	6	12	11	9	74
	32527	21551	109690	304689	933448	299388	600066	456327	423152	3180838
[70 - 74)	0	0	2	5	4	5	2	1	5	24
	0	0	30628	178527	172482	247034	110777	46317	268963	1054728
Total	154	607	447	491	572	457	365	114	27	3234
Total	2220884	18069454	16042541	21258565	25665336	21793090	17754499	5762663	1321117	129888149

AVERAGES : Attained Age 47.91
Service Years 14.17
Active Salary 40,163

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

TEACHERS' LUNCH PLAN A
ACTIVE MEMBERS

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	Total
[0 - 19)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[20 - 24)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[25 - 29)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[30 - 34)	0	0	0	13	2	0	0	0	0	15
	0	0	0	171783	28093	0	0	0	0	199876
[35 - 39)	0	0	4	39	44	4	0	0	0	91
	0	0	57180	544427	714346	64890	0	0	0	1380843
[40 - 44)	0	0	5	93	121	15	0	0	0	234
	0	0	69965	1208278	1912934	253691	0	0	0	3444868
[45 - 49)	0	0	15	79	202	101	16	0	0	413
	0	0	198098	1003386	2705735	1529415	221610	0	0	5658244
[50 - 54)	0	0	11	103	255	124	56	1	0	550
	0	0	130785	1375097	3317906	1827101	834400	11061	0	7496350
[55 - 59)	0	0	14	76	191	215	31	0	1	528
	0	0	160709	856537	2311551	2884751	427935	0	14506	6655989
[60 - 64)	0	0	2	25	62	32	14	2	1	138
	0	0	23088	269885	711639	399533	164203	19431	11564	1599343
[65 - 69)	0	1	0	10	27	8	8	3	0	57
	0	4833	0	121162	340440	91655	89317	49813	0	697220
[70 - 74)	0	0	1	4	6	7	0	0	0	18
	0	0	4447	42631	66438	78078	0	0	0	191594
Total	0	1	52	442	910	506	125	6	2	2044
Total	0	4833	644272	5593186	12109082	7129114	1737465	80305	26070	27324327

AVERAGES : Attained Age 52.36
Service Years 18.10
Active Salary 13,368

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MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TEACHERS' LUNCH PLAN B
ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	Total
[0 - 19)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[20 - 24)	2	2	0	0	0	0	0	0	0	4
	11547	10888	0	0	0	0	0	0	0	22435
[25 - 29)	11	34	5	0	0	0	0	0	0	50
	63524	328813	49827	0	0	0	0	0	0	442164
[30 - 34)	17	89	68	29	0	0	0	0	0	203
	85111	854203	759084	351609	0	0	0	0	0	2050007
[35 - 39)	14	100	99	62	15	0	0	0	0	290
	72372	967261	1157658	759295	208856	0	0	0	0	3165442
[40 - 44)	15	64	107	77	58	7	0	0	0	328
	86888	643551	1177719	930339	799484	88883	0	0	0	3726864
[45 - 49)	11	92	80	107	75	62	9	0	0	436
	64805	898116	889238	1233193	925065	927411	163373	0	0	5101201
[50 - 54)	9	45	64	84	98	76	44	0	0	420
	46434	453906	685381	992696	1243756	951165	632491	0	0	5005829
[55 - 59)	4	33	38	53	85	92	60	9	0	374
	24436	316553	389438	596098	1057359	1176841	837453	134635	0	4532813
[60 - 64)	0	10	33	29	35	23	18	4	1	153
	0	96666	360024	334067	402922	315479	229874	44144	6100	1789276
[65 - 69)	1	1	1	14	11	3	6	0	0	37
	6530	4931	9748	156562	106529	43033	69579	0	0	396912
[70 - 74)	0	0	0	3	3	1	1	1	1	10
	0	0	0	28193	25772	9785	20842	9785	12062	106439
Total	84	470	495	458	380	264	138	14	2	2305
Total	461647	4574888	5478117	5382052	4769743	3512597	1953612	188564	18162	26339382

AVERAGES : Attained Age 48.02
Service Years 11.91
Active Salary 11,427

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

TRS RETIREMENT SYSTEM
ACTIVE AFTER DROP

VALUATION DATE 6/30/96

Age/Years	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	Total
[0 - 19)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[20 - 24)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[25 - 29)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[30 - 34)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[35 - 39)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[40 - 44)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[45 - 49)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[50 - 54)	0	0	0	0	0	0	0	4	0	4
	0	0	0	0	0	0	0	179323	0	179323
[55 - 59)	0	0	0	0	0	0	42	165	12	219
	0	0	0	0	0	0	1795180	7321753	575501	9692434
[60 - 64)	0	0	0	9	9	2	62	100	61	243
	0	0	0	197955	245157	84871	2412782	4598743	2752891	10292399
[65 - 69)	0	0	0	10	11	19	57	31	32	160
	0	0	0	170452	241607	605835	2232035	1488808	1816604	6555341
[70 - 74)	0	0	0	1	6	10	17	9	5	48
	0	0	0	17336	157393	269740	799941	371018	262617	1878045
Total	0	0	0	20	26	31	178	309	110	674
Total	0	0	0	385743	644157	960446	7239938	13959645	5407613	28597542

AVERAGES : Attained Age 62.86
Service Years 30.34
Active Salary 42,430

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

TRS RETIREMENT SYSTEM
ALL REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFIT

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-2)	(2-3)	(3-4)	(4-5)	(5-10)	(10-15)	(15-20)	(20-)	Total
[0 - 39)	1	2	0	0	0	0	0	0	0	3
	6528	15132	0	0	0	0	0	0	0	21660
[40 - 44)	27	53	44	16	5	7	0	0	0	152
	349140	662208	486504	177660	34308	51447	0	0	0	1761267
[45 - 49)	57	136	133	130	125	251	1	0	0	833
	750696	1950792	1797540	1698384	1629780	2803294	8463	0	0	10638949
[50 - 54)	55	127	163	146	127	579	133	3	0	1333
	868920	2535981	3134520	2369052	1898483	7330126	1525560	21225	0	19683867
[55 - 59)	83	257	538	534	415	837	419	146	0	3229
	1350486	5310528	13319803	13498176	10531896	14828390	4894138	1329270	0	65062687
[60 - 64)	121	401	605	669	789	2260	801	506	63	6215
	1097831	4691427	10398707	14144698	18306284	47123988	13278509	4829077	504299	114374820
[65 - 69)	42	189	354	423	597	2423	1515	748	281	6572
	551034	2603630	6288532	7561569	10871911	34770839	27847987	9584231	2531257	102610990
[70 - 74)	11	44	87	106	209	1358	1870	1269	532	5486
	151524	790680	1588786	2208840	3820777	19451096	24053990	19160175	5430059	76655927
[75 - 79)	3	7	9	7	25	371	1173	1703	1083	4381
	21684	85728	108372	124032	348324	5510001	14505826	19100993	13024880	52829840
[80 - 84)	0	2	3	3	2	17	206	996	1637	2866
	0	12717	18660	56532	28092	291637	2956001	10503538	18469120	32336297
[85 - 89)	0	0	0	0	0	2	2	54	1487	1545
	0	0	0	0	0	24636	6297	741246	16365278	17137457
[90 - 99)	0	0	0	0	0	0	0	2	681	683
	0	0	0	0	0	0	0	47687	6841020	6888707
Total	400	1218	1936	2034	2294	8105	6120	5427	5764	33298
Total	5147843	18658823	37141424	41838943	47469855	132185454	89076771	65317442	63165913	500002468

AVERAGES : Attained Age 69.31
Years Retired 11.63
Annual Benefit 15,016

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFIT

TRS RETIREMENT SYSTEM
ALL DISABILITY RETIREES

VALUATION DATE 6/30/96

Age/Years	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39)	9	14	10	9	9	13	4	0	0	68
	93996	179628	104484	95256	121020	127078	30725	0	0	752187
[40 - 44)	16	21	22	15	18	58	13	2	0	165
	244524	329708	262514	228576	237605	634581	122779	19452	0	2079739
[45 - 49)	20	33	38	32	29	121	57	13	0	343
	260748	474753	455347	424633	452940	1519527	600946	138114	0	4327008
[50 - 54)	31	39	39	46	34	154	72	25	6	446
	243396	361585	450996	392308	342156	1670365	739962	249336	34429	4484533
[55 - 59)	34	45	47	49	48	204	126	35	17	605
	253254	347571	385841	323165	308390	1945582	1342029	361977	116910	5384719
[60 - 64)	5	13	23	26	43	208	148	52	20	538
	28740	101335	132972	107310	259709	1547060	1381046	485138	130889	4174199
[65 - 69)	1	3	5	4	9	111	135	84	27	379
	2064	7164	22730	15386	30672	732324	961311	678722	169797	2620170
[70 - 74)	0	0	1	2	0	62	123	81	48	317
	0	0	1500	6875	0	419746	882602	536290	275748	2122761
[75 - 79)	0	0	0	0	0	9	47	52	73	181
	0	0	0	0	0	117378	345439	322991	405506	1191314
[80 - 84)	0	0	0	0	0	0	5	8	55	68
	0	0	0	0	0	0	30093	65165	297277	392535
[85 - 89)	0	0	0	0	0	0	0	0	33	33
	0	0	0	0	0	0	0	0	178975	178975
[90 - 99)	0	0	0	0	0	0	0	0	13	13
	0	0	0	0	0	0	0	0	85485	85485
Total	116	168	185	183	190	940	730	352	292	3156
Total	1126722	1801744	1816384	1593509	1752492	8713641	6436932	2857185	1695016	27793625

AVERAGES : Attained Age 60.26
Years Retired 10.22
Annual Benefit 8,807

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFIT

TRS RETIEREMENT SYSTEM
ALL SURVIVOR BENEFITS

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-2)	(2-3)	(3-4)	(4-5)	(5-10)	(10-15)	(15-20)	(20-)	Total
[0 - 39)	3	2	5	1	4	11	0	0	0	26
	24264	10572	35772	16764	47676	86534	0	0	0	221582
[40 - 44)	8	7	8	15	7	31	4	0	0	80
	87765	79908	81744	130734	97637	288126	43376	0	0	809290
[45 - 49)	15	19	28	25	18	109	20	1	0	235
	146747	277728	243902	348612	233109	965346	170873	4338	0	2390655
[50 - 54)	22	20	23	21	22	124	47	0	0	279
	262870	279696	323914	350484	271623	1193738	414101	0	0	3096426
[55 - 59)	29	9	21	40	31	155	33	0	0	318
	249118	106512	279021	663156	455503	1606110	242274	0	0	3601694
[60 - 64)	43	10	19	19	28	246	61	0	0	426
	333344	119424	372120	252768	492029	2906250	697282	0	0	5173217
[65 - 69)	59	5	4	11	23	238	77	0	0	417
	552127	29772	84468	162222	473634	2609249	908478	0	0	4819950
[70 - 74)	113	2	0	3	6	203	69	0	0	396
	1073343	7104	0	41340	121596	2248578	947769	0	0	4439730
[75 - 79)	154	1	1	2	1	157	38	0	0	354
	1274174	13200	1452	40512	3917	1481118	437754	0	0	3252127
[80 - 84)	134	0	0	0	0	78	19	0	0	231
	1085878	0	0	0	0	725849	181193	0	0	1992920
[85 - 89)	113	1	0	0	0	66	3	0	0	183
	814888	5856	0	0	0	504087	17762	0	0	1342593
[90 - 99)	77	0	0	0	2	77	1	0	0	157
	440563	0	0	0	12731	486078	7385	0	0	946757
Total	770	76	109	137	142	1495	372	1	0	3102
Total	6345081	929772	1422393	2006592	2209455	15101063	4068247	4338	0	32086941

AVERAGES : Attained Age 67.54
Years Retired 4.98
Annual Benefit 10,344

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFIT

TRS RETIREMENT SYSTEM
ALL DROP PARTICIPANTS

VALUATION DATE 6/30/96

Age/Years	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	Total
[0 - 39)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[40 - 44)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[45 - 49)	3	0	0	0	0	0	0	0	0	3
	54180	0	0	0	0	0	0	0	0	54180
[50 - 54)	124	286	150	0	0	0	0	0	0	560
	3390144	8219460	4361532	0	0	0	0	0	0	15971136
[55 - 59)	257	640	521	2	0	0	0	0	0	1420
	6318048	17047008	14153520	63936	0	0	0	0	0	37582512
[60 - 64)	149	320	120	4	1	0	0	0	0	594
	2516268	6583267	2246943	117420	23856	0	0	0	0	11487754
[65 - 69)	51	115	8	1	0	0	0	0	0	175
	908536	2642364	191160	47544	0	0	0	0	0	3789604
[70 - 74)	7	19	5	0	0	0	0	0	0	31
	123600	399948	169416	0	0	0	0	0	0	692964
[75 - 79)	1	1	0	0	0	0	0	0	0	2
	28653	14652	0	0	0	0	0	0	0	43305
[80 - 84)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[85 - 89)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[90 - 99)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total	592	1381	804	7	1	0	0	0	0	2785
Total	13339429	34906699	21122571	228900	23856	0	0	0	0	69621455

AVERAGES : Attained Age 58.24
Years Retired 1.51
Annual Benefit 24,999

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

TRS RETIREMENT SYSTEM
TERMINATED VESTED

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFIT

VALUATION DATE 6/30/96

Age/Years	(0-1)	(1-5)	(5-10)	(10-15)	(15-20)	(20-25)	(25-30)	(30-35)	(35-)	Total
(0 - 19)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
(20 - 24)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
(25 - 29)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
(30 - 34)	0	2	1	1	0	0	0	0	0	4
	0	1212	2064	2400	0	0	0	0	0	5676
(35 - 39)	0	1	2	11	1	0	0	0	0	15
	0	1244	5256	60240	5016	0	0	0	0	71756
(40 - 44)	0	3	0	46	4	0	0	0	0	53
	0	1884	0	283236	43452	0	0	0	0	328572
(45 - 49)	2	8	9	63	19	0	0	0	0	101
	4284	5124	32968	378030	187127	0	0	0	0	607533
(50 - 54)	1	4	7	78	21	1	0	0	0	112
	84	2352	28491	478525	183243	6636	0	0	0	699331
(55 - 59)	0	9	6	110	27	2	0	1	0	155
	0	7368	13404	605718	218983	11532	0	4260	0	861265
(60 - 64)	0	4	5	6	7	1	1	1	0	25
	0	2856	10620	27588	52392	6768	14676	15960	0	130860
(65 - 69)	0	0	0	1	1	0	0	0	0	2
	0	0	0	1020	3000	0	0	0	0	4020
(70 - 74)	0	0	0	0	1	0	1	0	0	2
	0	0	0	0	4872	0	5013	0	0	9885
Total	3	31	30	316	81	4	2	2	0	469
Total	4368	22040	92803	1836757	698085	24936	19689	20220	0	2718898

AVERAGES : Attained Age 52.21
Service Years 12.00
Annual Benefit 5,797

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EXHIBIT 5

PRINCIPLE PROVISIONS OF THE PLAN
(Including Acts of 1995 Regular Session)

EFFECTIVE DATE:

August 1, 1936; last amendment date - July 11, 1995.

EMPLOYER:

The State of Louisiana, the parish school board, the city school board, the State Board of Education, the board of supervisors of Louisiana State University or any other agency of and within the State by which a teacher is paid.

ELIGIBILITY FOR PARTICIPATION:

Condition of employment for all teachers under age 60.

SERVICE:

Service as a "teacher", for a qualified employer, defined above.

CREDITABLE SERVICE:

Service as a teacher while member of the system.

ADDITIONAL CREDITABLE SERVICE:

1. Credit for service cancelled by withdrawal of accumulated contributions may be restored by member by paying the amount withdrawn plus interest.

2. Service rendered in public school system of another state may be obtained for member, contingent on payment of present value of additional retirement benefit, payable for such period, or at the member's option receive service credit based on the funds actually transferred.

3. Maximum of 3 years of credit for service in non-public or parochial schools may be obtained for members with at least 10 years of service, contingent on payment of present value of additional retirement benefit, payable for such period, or at the member's option receive service credit based on the funds actually transferred.

4. Maximum of 4 years of credit for military service may be obtained for each member, contingent on payment of Actuarial Cost.

5. Credit for legislative service of former teacher, now legislator, may be purchased if member pays additional 7% of his legislative salary and expense allowance (over and above 4% legislator's contribution); if he makes this election, then legislative house is to contribute 8%.

EXHIBIT 5 (Continued)
Principle Provisions

6. Conversion of Sick Leave to Membership Service: At retirement, or at death before retirement of member with surviving spouse or dependent or both who are entitled to benefits, unused accumulated sick leave will be added to membership service; however, leave accumulated after January 30, 1990 can be converted to a maximum one year service credit, on following basis:

	ACCUMULATED SICK DAYS				
CREDITED SERVICE	PRIOR TO 6/30/88	--- AFTER 6/29/88 BY MEMBER CLASSIFICATION --- 9 MTH	10 MTH	11 MTH	12 MTH
.1/yr		10-18	11-20	12-22	13-24
.2		19-36	21-40	23-44	25-48
.25	25-45				
.3		37-54	41-60	45-66	49-72
.4		55-72	61-80	67-88	73-96
.5	46-90	73-90	81-100	89-110	97-120
.6		91-108	101-120	111-132	121-144
.7		109-126	121-140	133-154	145-168
.75	91-135				
.8		127-144	141-160	155-176	169-192
.9		145-162	161-180	177-198	193-216
1.0	136-180	163-180	181-200	199-220	217-240

EARNABLE COMPENSATION:

The compensation earned by a member for qualifying service.

AVERAGE FINAL COMPENSATION FOR BENEFIT PURPOSES:

The average annual earnable compensation of a teacher for the 36 highest successive months of employment or the highest 36 successive joined months of employment where interruption of service occurred; the average compensation of a teacher for purposes of computing benefits cannot increase more than 25% per year; for teachers with 40 or more years of service who elect to have employee and employer contributions discontinued, average final compensation is based on highest 3 consecutive-year period prior to discontinuance. Includes workmen's compensation, and PIP's program in accordance with the following:

Years of Participation	% of Earnings To be Included
3	60%
4	80%
5	100%

However, if member completed at least two years and subsequently becomes disabled, he shall receive 40% of such earnings. If he has completed one year and becomes disabled, he shall receive 20% of such earnings.

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EXHIBIT 5 (Continued)
Principle Provisions

ACCUMULATED CONTRIBUTIONS:

Sum of all amounts deducted from compensation of members.

EMPLOYEE CONTRIBUTIONS:

7% of earnable compensation. Effective 7/1/89, 8% of earnable compensation.

EMPLOYER CONTRIBUTIONS:

Employer contributions are determined in accordance with Act 81 of the 1988 Session based on the Public Retirement Systems' Actuarial Committee's recommendation to the Legislature.

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

Written application to Board, and

1. Age 60 and 10 years of accredited service, or 20 years of creditable teaching service.

2. Age 55 and 25 years of creditable service, or at age 65 and 20 years of creditable service (excluding military service), or at 30 years of creditable service at any age. Conversion of unused sick and annual leave cannot be used to obtain retirement eligibility.

Benefit:

Annuity which shall be the actuarial equivalent of accumulated employee contributions at retirement date, and

1. Annual pension, which, together with annuity, provides total allowance equal to 2% of average final compensation times years of creditable service (including unused sick leave), plus $300 annual supplemental benefit.

2. Annual pension, which, together with annuity, provides total allowance equal to 2 1/2% of average final compensation times years of creditable service (including unused sick leave), plus $300 annual supplemental benefit.

EXHIBIT 5 (Continued)
Principle Provisions

NOTE:

A. Benefit not to exceed 100% of average earnable compensation.

B. Legislator's benefits to be calculated on basis of either Teacher's or Legislator's salary but not both - for new legislators (their option to choose); employee contribution to be 11% of either salary and expense allowance as legislator, not both.

C. Retiree who returns to work shall have benefits suspended while so re-employed; benefit in same amount shall resume after re-employment ceases, but shall include any Cost of Living benefits or increases granted during suspension (these are not retroactive). Retirees who return to work during a July 1 to June 30 year will not have his benefits reduced if his compensation does not exceed 50% of his average final compensation.

D. The $300 annual supplemental benefit is discontinued to persons who become members of the retirement system after 6/30/86 (Act 608 of 1986).

E. For Members employed on or after January 1, 1990, the annual pension cannot exceed the maximum benefit provided under Section 415(b)(2)(F) of the Internal Revenue Service Code as adjusted for inflation and form of benefit other than life annuity or qualified joint and survivor annuity for retirement ages as follows:

AGE	MAXIMUM	AGE	MAXIMUM	AGE	MAXIMUM
48	$24,791	56	$50,539	64	$108,522
49	27,044	57	55,420	65	120,000
50	29,520	58	60,821	66	128,790
51	32,237	59	66,811	67	138,578
52	35,224	60	73,456	68	149,216
53	38,528	61	80,851	69	160,884
54	42,134	62	89,084	70	173,696
55	46,129	63	98,265		

COST OF LIVING BENEFITS:

Act 1031 of 1992 establishes an Experience Account which is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. Once the balance of the experience account accumulates to a sum sufficient to grant retirees a COLA, the Board may grant such COLA with legislative approval.

EXHIBIT 5 (Continued)
Principle Provisions

DISABILITY RETIREMENT:

Eligibility:

5 years of creditable service; certification of disability by medical board (medical examination required once in every year for the first 5 years of disability retirement, and once in every 3 years thereafter, until age 60).

Benefit: Act 572 of 1995

1. If ineligible for service retirement on date of disability, a pension equal to 2 1/2% of average compensation multiplied by years of creditable service. Benefit shall not be more than 50% of average compensation. However, in no event shall disability benefit be less than the lesser of (a) 40% of the state minimum salary for a beginning teacher with a bachelor's degree or (b) 75% of average compensation.

2. Additional 50% of member's benefit payable if minor child is present, but total amount to family limited to 75% of final average compensation.

3. Upon attainment of the earliest age for retirement eligibility had member continued in service without further change in compensation, member shall become a regular retiree with benefits based on years of creditable service but not less than the disability benefit. Minor children benefits for disability continue for as long as the retiree has a minor child.

4. Upon death of a disability retiree, surviving spouse, married to retiree at least two years prior to death of the disability retiree, shall receive 75% of disability benefit. Upon death of a disability retiree with no spouse but minor children, minor children benefit shall equal 50% of disability benefit.

5. Upon recovery of disability as determined by the board of trustees, upon advice of the medical board, and returns to active membership for at least three years starting no later than one year after recovery, then he shall be credited with one year of service for each year he was disabled for purposes of establishing retirement system benefit eligibility, but not for computation of benefits.

EXHIBIT 5 (Continued)
Principle Provisions

SURVIVOR'S BENEFITS:
(Effective July 13, 1978)

Eligibility:

1. Surviving Spouse (with minor children) of:
   -an active member with 5 years of creditable service with at least 2 years earned immediately prior to death; or,
   -a member with 20 years of creditable service regardless of when earned or whether in active service at time of death.

2. Surviving Spouse (without minor children) of:
   -an active member with 10 years of creditable service with at least 2 years earned immediately prior to death; or,
   -a member with 20 years of creditable service regardless of when earned or whether in active service at time of death.

3. Beneficiary not eligible for 1 or 2.

Benefits:

1. Greater of:
   A.) $300 per month, or

   B.) 50% of benefit, based on 2 1/2% formula, that would have been payable upon service retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (not greater than two), with total benefit to family at least equal to the Option 2, Accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire or had attained age 55 on the date of his death, benefits shall not cease upon remarriage. When minor children are no longer present, spouse's benefit reverts to benefit in B, if spouse eligible for such benefit.

2. Greater of:
   A.) $300 per month

   B.) Option 2 equivalent of Accrued Benefit based on actual service and the 2 1/2% formula. Spouse's benefit payable for life. Benefits to spouse cease upon remarriage, but resume upon subsequent divorce or death of new spouse; however, if the member was eligible to retire on the date of his death, benefits shall not cease upon remarriage.

3. Return of member's accumulated contributions.

EXHIBIT 5 (Continued)
Principle Provisions

OPTIONAL FORMS OF BENEFIT:

In lieu of receiving normal retirement benefit, member may elect to receive actuarial equivalent of retirement allowance in a reduced form as follows:

Option 1 - If a member dies before receiving present value of annuity in monthly payments, balance paid to designated beneficiary.

Option 2 - Reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 3 - 1/2 of reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 4 - Other benefits of equal actuarial value may be elected with approval of board.

Options 2A, 3A, 4A - Same as Options 2, 3, and 4, except that reduced benefit reverts back to maximum if beneficiary predeceases retiree.

Initial Benefit Option - Maximum benefit actuarially reduced for partial lump-sum equal to not more than 36 months of the maximum monthly pension.

REFUND OF CONTRIBUTIONS:

Death prior to retirement - accumulated contributions credited to individual account in annuity savings fund are returnable to designated beneficiary, if any; otherwise, to his estate.

WITHDRAWAL AFTER 10 YEARS OF CREDITABLE SERVICE:

Any member with credit for 10 years of service who withdraws from service may elect to leave accumulated contributions in system until age 60, when he may apply for retirement and begin receiving a retirement benefit based on the credits he had at date of withdrawal.

EXHIBIT 5 (Continued)
Principle Provisions

DESCRIPTION OF BENEFITS
FOR MERGED LSU EMPLOYEES

GENERAL:

Eligibility for benefits based on the eligibility requirements of the Teacher's plan, except for deaths and disabilities before 1984. All service, funded and nonfunded, used in determining eligibility.

Final Average Salary was the average of the three highest years, except for academic year employees who retired within three years after 1/1/79. For this group, any salary used in the Final Average Salary calculation which was earned before 1/1/79 was increased by 2/9ths.

The Social Security breakpoint average, for service under the funded LSU plan, was frozen at the 12/31/78 level. That is, the breakpoint average for funded service was calculated as of 12/31/78 and kept constant. This produced the following breakpoint averages:

Social Security Breakpoint Average
(for LSU funded service)

Calendar Year of Entry	Breakpoint Average
1971 or before	$13,400
1972	$13,800
1973	$14,600
1974	$15,360
1975	$15,900
1976	$16,500
1977	$17,100
1978	$17,700

Retirement Benefits:

Retirement benefits calculated using LSU funded service with the LSU formula and service after 12/31/78 with the Teacher's formula. Thus, the "funded" benefit is 1) 1 1/3% of Final Average Salary under the Social Security breakpoint average plus 2 1/2% of Final Average Salary over the Social Security breakpoint average, times years of "funded" service with LSU before 12/31/78, plus 2) 2 1/2% (or 2% if total service less than 20 years) times Final Average Salary times years since 1/1/79, plus $300.

Exhibit 5 (Continued)
Principle Provisions

Survivor's Benefits

For deaths after 1983, the provisions of the Teachers' plan apply. However, the benefit is calculated using all service, funded and nonfunded, then prorated by service between the funded and nonfunded portions. Children's benefits are also prorated into the funded and nonfunded portions.

Disability Benefits

For disabilities after 1983, the provisions of the Teachers' plan apply. However, the benefit is calculated using all service, then prorating by service between the funded and nonfunded portions. Children's benefits are also prorated.

Vesting Benefits

Benefits for terminating vested members was determined as outlined under "Retirement Benefits."

Refund of Contributions

Terminating members allowed a refund of accumulated contributions as described by the Teachers' plan.

Cooperative Extension personnel

The LSU employees eligible for the supplemental benefit described in Section 700.2 of Act 643 of 1978. The benefit is equal to 1% for the first five years of service, 3/4% for the next five years, and 1/2% thereafter. The funded benefit is the benefit based on service after September 12, 1975.

EXHIBIT 5 (Continued)
Principle Provisions

DESCRIPTION OF BENEFITS
FOR MERGED SCHOOL LUNCH EMPLOYEES

EFFECTIVE DATE:

January 1, 1953; Revised July 1, 1980.
1. Effective July 1, 1980, all employees shall become members of this system and shall be placed in the applicable plan as outlined below:
A.) Those participating in both the regular and the supplemental plan or only in the supplemental plan shall become members of Plan A.
B.) Those participating only in the regular plan shall become members of Plan B.

2. All individuals who become employed after July 1, 1980, shall become members of Plan A or Plan B as determined by the agreement in effect for each employer.

CREDITABLE SERVICE:

Service as an employee while member of the system.

MILITARY SERVICE:

Maximum of 4 years of credit may be purchased.

ADDITIONAL CREDITABLE SERVICE:

Credit for service cancelled by withdrawal of accumulated contributions may be restored by paying into system the amount withdrawn plus regular interest.

EMPLOYEE CONTRIBUTIONS:

Plan A: 9.10% of monthly earnings

Plan B: 5% of monthly earnings

EMPLOYER CONTRIBUTIONS:

Plan A: Actuarial Required Amount (Effective 7/1/89)

Plan B: Actuarial Required Amount (Effective 7/1/89)

EXHIBIT 5 (Continued)
Principle Provisions

SCHOOL LUNCH PLAN A

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

1. Age 60 and 10 years of creditable service.

2. Age 55 and 25 years of creditable service.

3. 30 years of creditable service, regardless of age.

Benefit:

3% of average final compensation times years of creditable service. For Members of only the supplemental plan prior to 7/1/80 and (*). Those Members who were age 60 or older at the time the Member's Employer terminated its agreement with the Department of Health, Education and Welfare, and who became a Member of the retirement system because of this termination: 1% of average final compensation plus two dollars per month for each year of service credited prior to 7/1/80, plus 3% of average final compensation for each year of service credited after 7/1/80.

*These members shall be eligible to retire upon reaching age 70, with less than 10 years of creditable service.

NOTE:

Benefit not to exceed 100% of average final compensation.

DISABILITY RETIREMENT:

Eligibility:

5 years of creditable service; certification of disability by the State Medical Disability Board.

Benefit:

Normal retirement allowance if eligible; otherwise, an amount equal to the normal retirement allowance to which the member would have been entitled had he met eligibility requirements; provided the amount is not less than 60%, nor more than 100% of average final compensation, in the event no optional selection is made.

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EXHIBIT 5 (Continued)
Principle Provisions

SURVIVOR'S BENEFITS:

Eligibility:

1. Surviving spouse of member with 5 or more years of service credit with at least 2 years earned immediately prior to death, or 20 years of service credit regardless of when earned or whether the deceased member was in active service at the time of death, with minor children.

2. Surviving spouse of member with 10 or more years of service credit with at least 2 years earned immediately prior to death, or 20 years of service credit regardless of when earned or whether the deceased member was in active service at the time of death, without minor children.

3. Beneficiary not eligible for 1 or 2.

Benefit:

1. Greater of:

A. $300 per month, or

B. 50% of benefit, based on 3% factor, that would have been payable upon retirement at age 60 had member continued in service to age 60 without change in compensation. 50% of spouse's benefit payable for each minor child (maximum two children), with total benefit to family at least equal to the Option 2 benefit. Accrued Benefit based on actual service credit. Benefits to spouse cease upon remarriage, but resume upon subsequent death or divorce. When minor children are not longer present, spouse's benefit reverts to benefit in B, if spouse is eligible for such benefit.

2. Greater of:

A. $300 per month, or

B. Option 2 equivalent of Accrued Benefit based on actual service and the 3% factor. Surviving spouse must have been married to the deceased member at least one year prior to death. If the member had not been eligible for retirement upon date of death, benefits to spouse cease upon remarriage, but resume upon subsequent death or divorce of new spouse.

3. Return of member's accumulated contributions.

EXHIBIT 5 (Continued)
Principle Provisions

SCHOOL LUNCH PLAN B

RETIREMENT BENEFIT:

NORMAL RETIREMENT:

Eligibility:

1. Age 60 and 10 years of creditable service.

2. Age 55 and 30 years of creditable service.

Benefit:

Annual pension which provides total allowance equal to 2% of average final compensation times years of creditable service. (Maximum $70 per month for each year of creditable service).

NOTE:
Benefit reduced by 3% for each year under age 62, unless member has 25 years of creditable service.

DISABILITY RETIREMENT:

Eligibility:

5 years of creditable service; certification of disability by the State Medical Disability Board.

Benefit:

Normal retirement allowance if eligible therefor; otherwise 2% of average final compensation times years of creditable service; provided amount not less than 30%, nor more than 75% of average final compensation, in the event no optional selection is made.

SURVIVOR'S BENEFITS:

Eligibility:

20 or more years of creditable service.

Benefit:

Option 2 benefit.

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EXHIBIT 5 (Continued)
Principle Provisions

OPTIONAL FORMS OF BENEFIT:

A member may elect to receive his benefit in a retirement allowance payable throughout his life, or member may elect to receive actuarial equivalent of retirement allowance in a reduced form as follows:

Option 1 - If a member dies before receiving present value of annuity in monthly payments, balance paid to designated beneficiary.

Option 2 - Reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 3 - 1/2 of reduced retirement allowance, if member dies, to be continued to designated beneficiary for his lifetime.

Option 4 - Other benefits of equal actuarial value may be elected with approval of board.

Initial Benefit Option - Maximum benefit actuarially reduced for partial lump-sum equal to not more than 36 months of the maximum pension.

RETURN OF CONTRIBUTIONS:

Should a member not eligible to retire cease to be an employee, he shall be paid the amount of his accumulated contributions upon demand. Death prior to retirement with no survivors eligible for benefits - accumulated contributions are returnable to designated beneficiary, if any; otherwise, to his estate.

WITHDRAWAL AFTER 10 YEARS OF CREDITABLE SERVICE:

Any member with credit for 10 years of service who withdraws from service may elect to leave accumulated contributions in system until his earliest normal retirement date, when he may apply for retirement and begin receiving a retirement benefit based on average final compensation and creditable service at date of withdrawal.

NOTES

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

The "Projected Unit Credit" cost method was used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is accumulated from the participant's attained age to the anticipated retirement date(s). That portion of the actuarial present value attributable to the current year's projected benefit accruals is called the Normal Cost. The actuarial present value of future projected benefits in proportion to service accrued on the date of valuation is called the actuarial accrued liability.

ACCOUNTING DISCLOSURE:

The Governmental Accounting Standards Board Statement No. 25 requires the disclosure of "Credited Projected Benefits" for Public Employee Retirement Systems. The actuarial present value of credited projected benefits are the accumulated accrued benefits of each individual participant projected with salary increases for active members to anticipated retirement. The development of this disclosure utilizes the same actuarial assumptions in the development of funding requirements and actuarial accrued liabilities.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the 1983 Sex Distinct Graduated Group Annuity Mortality Table, with female ages set at attained age plus one.

DISABILITY ASSUMPTION:

Rates of total and permanent disability were projected by age in accordance with the 1981-86 disability experience of the Retirement System. Rates were projected separately for School Lunch Employees' Plan A and Plan B. For mortality after disability, rates were on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.

RETIREMENT ASSUMPTION:

Retirement without reduction in benefits can occur at any given age after satisfying the service eligibility requirements. Absent from the plan is a traditional "Normal Retirement Age." Since the age and service requirements are varied, the frequency of retirements will depend on the exposure plus intangibles such as health, economy, Social Security and other work patterns. Retirement rates were projected based on the 1981-86 experience study for the Teachers' Plan, School Lunch Employees' Plan A and Plan B.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates were derived from the 1981-86 termination experience study for the Teachers' Plan, School Lunch Employees' Plan A and Plan B. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate as follows:

1st year	2.50x
2nd year	1.00x
3rd year	1.00x
4th year	1.00x
5th year	1.00x

Furthermore, for members terminating with ten (10) or more years of service, it is assumed that 80% will not withdraw their accumulated employee contributions.

SALARY GROWTH:

The rate of annual salary growth is based on 1981-86 salary scale experience for the Teachers' Plan, School Lunch Employees' Plan A and Plan B.

FAMILY STATISTICS:

The composition of the Family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

Age at Death	Number of Minor Chn.	Years for Youngest Child to Attain Majority
25	1.3	17
30	1.8	15
35	2.2	13
40	2.1	10
45	1.7	8
50	1.2	4

REMARRIAGE:

Annuities payable to the spouse which cease upon death or remarriage were taken from "A Technical Note for the Construction of Widow's Annuities." The Remarriage and Mortality rates used to develop these annuities were based on the graduated rates from "Mortality and Remarriage Experience for Widow's Beneficiaries under OASDI."

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

ASSUMPTION FOR INCOMPLETE DATA:

Records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort.

INVESTMENT EARNINGS:

An effective annual rate of 8 1/4%, net expenses for professional asset management advisors.

ASSET VALUATION:

Bonds are valued at amortized cost. Fixed assets are valued at cost. For the Plan Year Ending June 30, 1987 equities are valued at a four year average to be phased in by June 30, 1989. The computation of the average actuarial value of assets is the sum of the bonds at amortized cost, plus a weighted average of average unrealized loss or (gain) in the market value of equities, plus the market value of equities. This value is determined in accordance with Reg. 1.412(c)(2)-1-(6) & (7) of the Internal Revenue Service Code and is subject to the Corridor Limits defined therein.

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be $7,200,000 per year. Investment Expenses for professional asset management advisors are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of Normal Cost excludes an allocation for Administrative expenses.

ACTUARIAL TABLES AND RATES
(TEACHERS ASSUMPTIONS)

Age	- Death Rates - Male	Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.09916	1.08950
21	.00044	.00024	.09152	.00000	.00000	2	.16647	1.07650
22	.00045	.00025	.08954	.00000	.00000	3	.11967	1.07550
23	.00047	.00027	.08757	.00000	.00000	4	.09398	1.07450
24	.00049	.00028	.08569	.00000	.00000	5	.07619	1.07350
25	.00052	.00030	.08402	.00000	.00000	6	.05979	1.07250
26	.00054	.00032	.08225	.00000	.00000	7	.05030	1.07250
27	.00057	.00034	.08028	.00000	.00000	8	.04057	1.07250
28	.00060	.00036	.07802	.00000	.00000	9	.03285	1.07250
29	.00064	.00038	.07556	.00000	.00000	10	.03000	1.07250
30	.00067	.00040	.07281	.00030	.00000	11	.02372	1.06750
31	.00072	.00043	.06976	.00060	.00000	12	.01918	1.06250
32	.00076	.00046	.06652	.00080	.00000	13	.01677	1.06250
33	.00082	.00049	.06308	.00160	.00000	14	.01425	1.05750
34	.00087	.00053	.05945	.00080	.00000	15	.01312	1.05750
35	.00096	.00056	.05582	.00100	.00000	16	.00975	1.05750
36	.00101	.00060	.05230	.00130	.00000	17	.00619	1.05750
37	.00107	.00064	.04890	.00140	.00000	18	.00611	1.05750
38	.00115	.00069	.04570	.00130	.00000	19	.00745	1.05750
39	.00125	.00074	.04271	.00110	.00000	20	.00557	1.05750
40	.00138	.00080	.03993	.00190	.07000	21	.00528	1.05750
41	.00152	.00086	.03769	.00190	.14000	22	.00485	1.05750
42	.00170	.00094	.03480	.00220	.08000	23	.00396	1.05750
43	.00191	.00102	.03256	.00230	.05000	24	.00534	1.05750
44	.00215	.00112	.03037	.00270	.05000	25	.00495	1.05750
45	.00243	.00124	.02822	.00250	.04000	26	.00572	1.05750
46	.00275	.00137	.02632	.00270	.03000	27	.00454	1.05750
47	.00310	.00152	.02455	.00370	.03000	28	.00814	1.05750
48	.00349	.00167	.02303	.00360	.03000	29	.00897	1.06250
49	.00390	.00183	.02154	.00520	.03000	30	.01043	1.06250
50	.00434	.00199	.02019	.00420	.05000	31	.01528	1.06250
51	.00480	.00217	.01889	.00490	.08000	32	.01723	1.06250
52	.00528	.00236	.01808	.00590	.09000	33	.01074	1.05750
53	.00578	.00257	.01733	.00380	.09000	34	.01477	1.05750
54	.00629	.00282	.01671	.00560	.17000	35	.01703	1.05750
55	.00681	.00311	.01622	.00460	.15000	36	.03156	1.05750
56	.00735	.00345	.01596	.00520	.14000	37	.01593	1.05750
57	.00793	.00383	.01584	.00630	.16000	38	.01305	1.05750
58	.00858	.00425	.01589	.00500	.15000	39	.01716	1.06250
59	.00932	.00471	.01622	.00700	.20000	40	.00769	1.06750
60	.01018	.00523	.01682	.00810	.14000	41	.00951	1.06250
61	.01118	.00579	.01764	.01100	.17000	42	.01267	1.06250
62	.01237	.00641	.01906	.00990	.18000	43	.01500	1.06750
63	.01377	.00710	.02061	.00840	.20000	44	.02690	1.06750
64	.01541	.00785	.02239	.00750	.32000	45	.05210	1.07750
65	.01732	.00869	.02446	.01000	.23000	46	.03194	1.07250
66	.01953	.00965	.02684	.00770	.23000	47	.02193	1.07250
67	.02200	.01078	.02952	.01060	.26000	48	.05000	1.06450
68	.02470	.01214	.03209	.00990	.29000	49	.07825	1.05750
69	.02757	.01376	.03504	.00690	.52000	50	.00000	1.05750
70	.03059	.01570	.03851	.00000	.99000	51	.00000	1.00000

ACTUARIAL TABLES AND RATES
(PLAN A ASSUMPTIONS)

Age	- Death Rates - Male	Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.07072	1.09350
21	.00044	.00024	.09152	.00000	.00000	2	.10841	1.08150
22	.00045	.00025	.08954	.00000	.00000	3	.08830	1.07750
23	.00047	.00027	.08757	.00000	.00000	4	.07485	1.07450
24	.00049	.00028	.08569	.00000	.00000	5	.06382	1.06450
25	.00052	.00030	.08402	.00020	.00000	6	.05370	1.06250
26	.00054	.00032	.08225	.00020	.00000	7	.04875	1.06250
27	.00057	.00034	.08028	.00020	.00000	8	.04565	1.06250
28	.00060	.00036	.07802	.00020	.00000	9	.03343	1.06250
29	.00064	.00038	.07556	.00020	.00000	10	.03470	1.06250
30	.00067	.00040	.07281	.00600	.00000	11	.02928	1.06250
31	.00072	.00043	.06976	.00600	.00000	12	.02710	1.06250
32	.00076	.00046	.06652	.00580	.00000	13	.03288	1.06250
33	.00082	.00049	.06308	.00500	.00000	14	.03704	1.06750
34	.00087	.00053	.05945	.00440	.00000	15	.02647	1.07750
35	.00096	.00056	.05582	.00390	.00000	16	.02328	1.05750
36	.00101	.00060	.05230	.00400	.00000	17	.02254	1.05750
37	.00107	.00064	.04890	.00400	.00000	18	.01907	1.07250
38	.00115	.00069	.04570	.00520	.00000	19	.02952	1.06250
39	.00125	.00074	.04271	.00230	.00000	20	.03818	1.06250
40	.00138	.00080	.03993	.00640	.00000	21	.04537	1.06250
41	.00152	.00086	.03769	.00770	.00000	22	.01263	1.07250
42	.00170	.00094	.03480	.01080	.00000	23	.07811	1.07250
43	.00191	.00102	.03256	.00330	.00000	24	.06000	1.07250
44	.00215	.00112	.03037	.01270	.00000	25	.05118	1.07250
45	.00243	.00124	.02822	.01340	.00000	26	.04000	1.07750
46	.00275	.00137	.02632	.00700	.00000	27	.02738	1.07750
47	.00310	.00152	.02455	.00790	.00000	28	.03729	1.07750
48	.00349	.00167	.02303	.00750	.00000	29	.03366	1.06750
49	.00390	.00183	.02154	.01190	.00000	30	.03000	1.04750
50	.00434	.00199	.02019	.03020	.36000	31	.01000	1.04750
51	.00480	.00217	.01889	.01070	.17000	32	.00000	1.07750
52	.00528	.00236	.01808	.01070	.44000	33	.00000	1.06750
53	.00578	.00257	.01733	.01720	.10000	34	.00000	1.05250
54	.00629	.00282	.01671	.01240	.20000	35	.00000	1.05250
55	.00681	.00311	.01622	.02200	.38000	36	.00000	1.05250
56	.00735	.00345	.01596	.01660	.23000	37	.00000	1.05250
57	.00793	.00383	.01584	.02050	.27000	38	.00000	1.04750
58	.00858	.00425	.01589	.02870	.30000	39	.00000	1.04750
59	.00932	.00471	.01622	.01900	.44000	40	.00000	1.04750
60	.01018	.00523	.01682	.01300	.36000	41	.00000	1.04750
61	.01118	.00579	.01764	.02770	.25000	42	.00000	1.04750
62	.01237	.00641	.01906	.02460	.34000	43	.00000	1.04750
63	.01377	.00710	.02061	.01760	.21000	44	.00000	1.04750
64	.01541	.00785	.02239	.01530	.30000	45	.00000	1.04750
65	.01732	.00869	.02446	.03680	.42000	46	.00000	1.04750
66	.01953	.00965	.02684	.02480	.27000	47	.00000	1.04750
67	.02200	.01078	.02952	.01230	.23000	48	.00000	1.04750
68	.02470	.01214	.03209	.01540	.29000	49	.00000	1.04750
69	.02757	.01376	.03504	.02000	.50000	50	.00000	1.04750
70	.03059	.01570	.03851	.00000	.54000	51	.00000	1.00000

ACTUARIAL TABLES AND RATES
(PLAN B ASSUMPTIONS)

Age	- Death Rates - Male	Female	Remarriage Rates	Disability Rates	Retirement Rates	Dur	Termination Rates	Salary Scale
20	.00042	.00022	.09350	.00000	.00000	1	.05669	1.09350
21	.00044	.00024	.09152	.00000	.00000	2	.10082	1.07750
22	.00045	.00025	.08954	.00000	.00000	3	.09899	1.07250
23	.00047	.00027	.08757	.00000	.00000	4	.08361	1.07250
24	.00049	.00028	.08569	.00000	.00000	5	.06745	1.07250
25	.00052	.00030	.08402	.00200	.00000	6	.04971	1.07250
26	.00054	.00032	.08225	.00200	.00000	7	.03412	1.06750
27	.00057	.00034	.08028	.00200	.00000	8	.03600	1.06250
28	.00060	.00036	.07802	.00200	.00000	9	.03579	1.06250
29	.00064	.00038	.07556	.00200	.00000	10	.01834	1.06250
30	.00067	.00040	.07281	.00200	.00000	11	.03429	1.06750
31	.00072	.00043	.06976	.00200	.00000	12	.02916	1.06750
32	.00076	.00046	.06652	.00200	.00000	13	.02430	1.05750
33	.00082	.00049	.06308	.00200	.00000	14	.01993	1.06750
34	.00087	.00053	.05945	.00200	.00000	15	.04005	1.06750
35	.00096	.00056	.05582	.00200	.00000	16	.01699	1.05250
36	.00101	.00060	.05230	.00200	.00000	17	.02762	1.06250
37	.00107	.00064	.04890	.00200	.00000	18	.02134	1.06250
38	.00115	.00069	.04570	.00200	.00000	19	.01352	1.05250
39	.00125	.00074	.04271	.00200	.00000	20	.01826	1.06250
40	.00138	.00080	.03993	.00200	.00000	21	.01553	1.06250
41	.00152	.00086	.03769	.00200	.00000	22	.07202	1.06750
42	.00170	.00094	.03480	.00200	.00000	23	.03406	1.05750
43	.00191	.00102	.03256	.00200	.00000	24	.01598	1.05750
44	.00215	.00112	.03037	.00200	.00000	25	.02920	1.05750
45	.00243	.00124	.02822	.00200	.00000	26	.04806	1.05750
46	.00275	.00137	.02632	.00200	.00000	27	.03974	1.05750
47	.00310	.00152	.02455	.00200	.00000	28	.02320	1.06750
48	.00349	.00167	.02303	.00200	.00000	29	.03000	1.05750
49	.00390	.00183	.02154	.01100	.00000	30	.03000	1.05750
50	.00434	.00199	.02019	.00800	.00000	31	.01000	1.06750
51	.00480	.00217	.01889	.00770	.00000	32	.00000	1.07750
52	.00528	.00236	.01808	.01520	.00000	33	.00000	1.10750
53	.00578	.00257	.01733	.00740	.00000	34	.00000	1.05250
54	.00629	.00282	.01671	.00720	.00000	35	.00000	1.05250
55	.00681	.00311	.01622	.00720	.34000	36	.00000	1.05250
56	.00735	.00345	.01596	.00720	.20000	37	.00000	1.05250
57	.00793	.00383	.01584	.01220	.24000	38	.00000	1.04750
58	.00858	.00425	.01589	.02800	.15000	39	.00000	1.04750
59	.00932	.00471	.01622	.01870	.39000	40	.00000	1.04750
60	.01018	.00523	.01682	.00630	.21000	41	.00000	1.04750
61	.01118	.00579	.01764	.01120	.23000	42	.00000	1.04750
62	.01237	.00641	.01906	.01740	.29000	43	.00000	1.04750
63	.01377	.00710	.02061	.00500	.25000	44	.00000	1.04750
64	.01541	.00785	.02239	.00500	.25000	45	.00000	1.04750
65	.01732	.00869	.02446	.00500	.44000	46	.00000	1.04750
66	.01953	.00965	.02684	.00500	.33000	47	.00000	1.04750
67	.02200	.01078	.02952	.00500	.34000	48	.00000	1.04750
68	.02470	.01214	.03209	.00500	.31000	49	.00000	1.04750
69	.02757	.01376	.03504	.00500	.56000	50	.00000	1.04750
70	.03059	.01570	.03851	.00500	.66000	51	.00000	1.00000

NOTES

EXHIBIT 7

LEGISLATIVE AUDITOR'S REPORT

Actuarial information for **TEACHERS' EMPLOYEES' RETIREMENT SYSTEM**.

(a) Most recent actuarial valuation date: June 30, 1996.

(b) This valuation sets forth information concerning contributions applicable to the plan fiscal year beginning July 1, 1996, and ending June 30, 1997.

(c) Data used in this valuation

(i) Number of participants as of the valuation date:	
Active members	85,523
Regular retirees	36,093
Disability retirees	3,151
Survivors receiving benefits	3,098
Terminated employees due benefits upon attaining retirement age	469
Terminated employees due refunds	5,978
(ii) Payroll of active members on the valuation date	2,254,304,207
(iii) Annual benefits in payment on the valuation date	559,883,034

(d) Actuarially required contribution for those systems to which R.S. 11:102 applies

Funding Method Projected Unit Credit.

Unfunded Accrued Liability as of the end of fiscal 1988	4,169,250,465
Amortization Method Increasing Annuity.	
Remaining Unamortized Portion of the initial unfunded liability	5,372,444,181
Current Unfunded Accrued Liability under this method	4,334,134,382
Actuarially required employer contribution:	
(i) Employer Normal Cost	163,418,212
Amortization Payments for Previous Years (Detail on Exhibit A):	
(ii) Previous year's unpaid underpayment or (overpayment)	8,267,937
(iii) Initial Unfunded Liability (Excludes $4,248,834 appropriation)	277,366,272
(iv) Changes due to COLA's	12,950,984
(v) Changes in plan provisions, assumptions and experience	(59,037,052)
(vi) Total employer contribution required (Sum of 6(d)(i) - (v)	402,966,353
(vii) Estimated projected payroll for the coming fiscal year	2,328,345,466
(viii) Required Employer Contribution Rate (6(d)(vi)/6(d)(vii))	16.4%
+ Appropriation	4,248,834

(e) Actuarially required contribution for those systems to which R.S. 11:103 applies

Funding Method Not Applicable.

(f) Average yield on investments last fiscal year	16.28%

(g) Actuarial information for accounting purposes (GASB) 25 results)

Pension Benefit Obligation:	
(i) Present retirees and beneficiaries	5,872,600,796
(ii) Terminated participants due benefits at retirement age	15,207,102
(iii) Terminated participants due a refund of their contributions	29,356,805
(iv) Active Members:	
(1) Accumulated employee contributions	1,495,383,230
(2) Employer-financed vested portion	3,324,595,548
(3) Employer-financed nonvested portion	495,618,410
(v) Total PBO (sum of 6(g)(i) through 6(g)(iv))	11,232,761,891
Actuarial value of assets	7,056,608,961
Unfunded (Assets in Excess of) Pension Benefit Obligation	4,176,152,930

inued)
itor's Report

assumptions used
rate used 8.25%
name (or source reference) of the particular table used or attach a copy
ble used for the each of the following. Indicate where appropriate that
tion is made with regard to a particular aspect of the valuation.

	Males	Females
ty rates (healthy)		
ty rates (disabled)	See Exhibit 6 of	the 6/30/96
tion rates.	Actuarial Valuation	Report Attached
ent rates		
ity rates		
scales		

Living Target Ratio and Funded Ratio of the System: (This section must be
i by state and statewide retirement systems only).
ied Ratio of the System as of the 1986 fiscal year end 44900
ber of fiscal years elapsed since the 1986 fiscal year end
tiplied by one-thirtieth of the difference between one hundred
cent and the amount in (6)(h)(i). 18367
nges in Funded Ratio due to mergers or changes in methods or
umptions after the 1986 fiscal year end;

Date of Change	Change in Funded Ratio
6/30/87	(.02106)
6/30/88	.02172
6/30/89	.02104

al Change in Funded Ratio 02170
ber of fiscal years elapsed since the date of each change in
(h)(iii) multiplied by one-thirtieth of the amount of such change
funded ratio and of opposite arithmetic sign of such change;

Date of Change	Amortization of Change
6/30/87	.00632
6/30/88	(.00579)
6/30/89	(.00491)

tal Amortization of Changes . . . . . (.00438)
rget Ratio as of the end of the just completed fiscal year. 64999
(Sum of (6)(h) (i) through (iv))
tual Funded Ratio of the system as of the just completed fiscal year. .61415
cording to my actuarial calculations this system has ___ has not X met the
rget ratio required to grant a cost of living increase to current benefit
cipients.

f my knowledge, the information supplied in item 6 and on statements attached
any, is complete and accurate. In my opinion the assumptions used are in
reasonably related to the experience of the system and to reasonable
and represent my best estimate of anticipated experience under the system.

mber 9, 1996 Signature of Actuary Charles G. Hall

EXHIBIT A

AMORTIZATION OF UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 1996

	DATE 6/30	DESCRIPTION	AMTZ. METHOD	AMTZ. PERIOD	INITIAL LIABILITY	YEARS REMAIN	REMAINING BALANCE	MID-YEAR PAYMENT
1)	1988	Initial Liability	I	40	4,169,250,465	33	5,372,444,181	277,366,272*
2)	1989	Change in Liability	I	37	(456,646,374)	33	(489,559,547)	(25,661,944)
3)	1990	Change in Liability	I	37	62,975,376	33	65,534,127	3,435,196
4)	1991	Change in Liability	I	37	74,681,138	33	81,972,837	4,296,887
5)	1992	Legislative COLA	L	11	95,039,000	7	69,558,037	12,950,984
6)	1992	Change in Liability	I	37	(106,184,106)	33	(119,485,941)	(6,263,266)
7)	1993	Change in Liability	I	36	(210,900,586)	33	(230,176,287)	(12,065,481)
8)	1994	Change in Liability	I	35	(299,279,395)	33	(235,255,306)	(12,331,715)
9)	1995	Change in Liability	I	34	(9,030,124)	33	(9,290,257)	(486,981)
10)	1996	Change in Liability	I	33	(190,004,697)	33	(190,004,697)	(9,959,748)
		TOTAL OUTSTANDING BALANCE					4,315,737,146	231,280,204
		EMPLOYER'S CREDIT BALANCE						
	1992	Contribution Variance	L	5	10,210,353	1	2,377,941	2,474,087
	1993	Contribution Variance	L	5	6,270,964	2	2,809,647	1,519,528
	1994	Contribution Variance	L	5	14,117,405	3	9,130,988	3,420,811
	1995	Contribution Variance	L	5	(3,279,842)	4	(2,723,552)	(794,744)
	1996	Contribution Variance	L	5	6,802,212	5	6,802,212	1,648,255
		TOTAL					18,397,236	8,267,937
		TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY					4,334,134,382	

*Note: LSU appropriation equals 1.508738% of the Initial Liability mid-year payment. Effective July 1, 1992, Amortization Periods changed in accordance with Act 257.